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France

Product Brief

SWEET, SAVORY SNACKS AND SNACK BARS IN FRANCE

2006

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Report Highlights:
In 2005, the French sweet and savory snack market was estimated at $1.14 billion, with annual growth of three percent. Snack bar sales in France totaled $133 million, with annual growth of four percent.

Imports of these products to France has increased 14 percent over the last three years. Although the U.S. market share is very small, strong growth opportunities do exist for breakfast bars, nuts, chips/crisps and extruded snacks provided US suppliers offer healthly and innovative products with attractive and convenient packaging.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Paris [FR1]
[FR]

Average exchange rate for calendar year 2005:
USD 1 = 0.8038 Euros
Source: Central European Bank

SECTION I. DEFINITION & MARKET OVERVIEW

1. Definition

Snack products include all foods which do not need to be consumed at a table and are generally eaten between regular meals or as a meal replacement (i.e. finger foods). Snacking in France is a growing phenomenon and is gradually becoming a more common part of French eating habits.

Busier lifestyles and demographic changes have fueled growth in snack products in a large range of foods, such as sweet products (confectionery and snack bars) as well as certain types of bakery products and sweet and savory snacks. Dairy product sales have also increased, especially for cheeses, as well as yogurt drinks. French consumers purchase practical, easy-to-eat, and diversified products offering good nutritional value. In response, French manufacturers offer solid, practical and lightweight individual portion packages, sometimes presenting several compartments to combine different types of snacks in the same product.

While the French snack market can be divided into four major categories: (1) bakery products (biscuits and cakes); (2) sugar and chocolate confectionery; (3) sweet and savory snacks, and (4) snack bars; this report will address the two categories offering the greatest potential for U.S. exporters: sweet, savory snacks, and snack bars. (Please refer to GAIN ____ for a report on the sugar and chocolate confectionery sector) which can be found at http://www.fas.usda.gov/

2. Market Overview

The French snack food market sector for sweet and savory snacks, and snack bars is estimated at $1.3 billion, and is growing at a rate of 3.5 percent yearly.

In 2005, France imported $3.6 billion of these snack food products, a 14 percent increase over the last three years, primarily from Germany, Belgium and Italy. Imports from the United States represented only 0.4 percent ($14 million) of the French imports. U.S. exports of sweet and savory snacks face stiff import challenges due to a strong domestic and intra-EU manufacturing industry, high transport costs and significant tariffs. French exports of sweet and savory snacks and snack bars in 2005 amounted to $3.2 billion, mainly to Germany, the United Kingdom and Belgium.

3. Advantages, Opportunities and Challenges Facing U.S. Snack Foods in France

Advantages/Opportunities	Challenges
Busier lifestyles and demographic changes fueling growth in snacking and single-use-formats	Adapt U.S. products to French consumers' needs regarding practicality, variety, quality and packaging.
The United States offers a variety of new innovative products, which French consumers are looking for.	Domestic products and intra-EU imports dominate the supply chain. Therefore, U.S. suppliers must offer high-quality and innovative alternatives, at competitive prices.
Fascination with American culture (music, movies, fashions) carries over to related	Lack of familiarity with U.S. brands by importers, retailers and consumers.

American foods.	
Relative weakness of the U.S. dollar against the Euro should benefit U.S. snack food product pricing.	Price competition is fierce and U.S. exports to France are subject to import tariffs. U.S. exports must comply with Fench regulations and standards which are sometimes stricter than EU standards.

SECTION II. MARKET SECTOR OPPORTUNITIES AND THREATS

1. Entry Strategy

Over 75 percent of total snack products in France are sold through the retail channel. Thus, a successful market entry in France requires the services of an importer who has strong contacts in the retail sector and can provide up-to-date information on business practices, trade laws, sales leads, and marketing and distribution strategies. The Office of Agricultural Affairs in Paris maintains a list of potential importers, and can be contacted at: http://www.agparis@usda.gov/

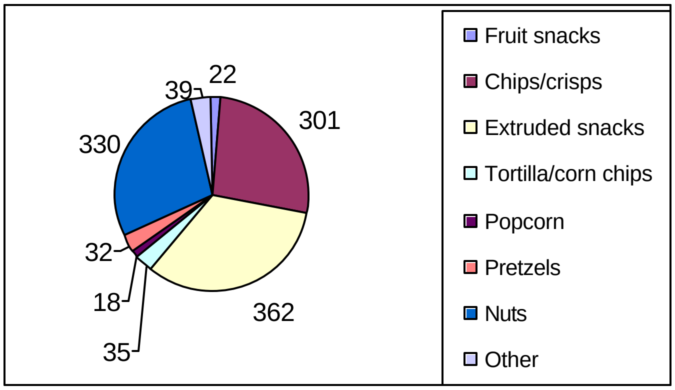
2. Market Size, Structure, and Trends

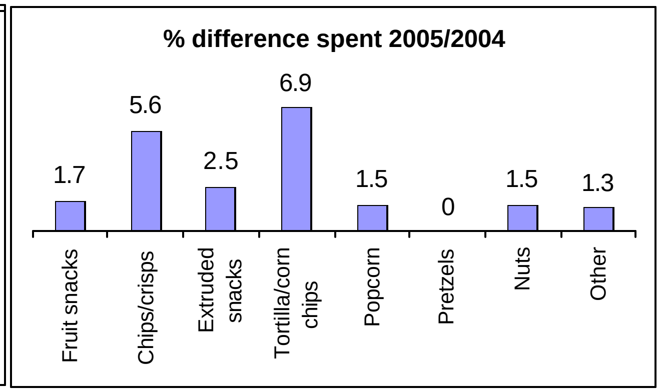
In 2005, sales of sweet and savory snacks in France totaled $1.14 billion, an annual growth of 3 percent with sales volume of 120,000 tons. These types of snack products are facing growing competition with fresh products, such as dips and olives, for the aperitif. Retail prices for sweet and savory snacks slightly decreased as a result of the continued success of hard discounters representing in 2004, 18 percent of the total supermarket food sales.

The products with greatest market potential in the sweet and savory snack category remain nuts, chips and crisps and extruded (puffed) snacks. French consumers demand sophisticated (ethnic), low-fat and quality products sold in attractive and practical packaging. Therefore, innovation, communication, promotion and merchandising stand as the keystones to successful competition in the French market.

In 2005, total sales of snack bars amounted to $133 million, an annual growth of 4 percent, for a sales volume of 8,000 tons. Breakfast bars were the key product in this category representing 38 percent of total sales value. Granola/muesli bars and energy bar sales remained stagnant and are even expected to decrease in the future.

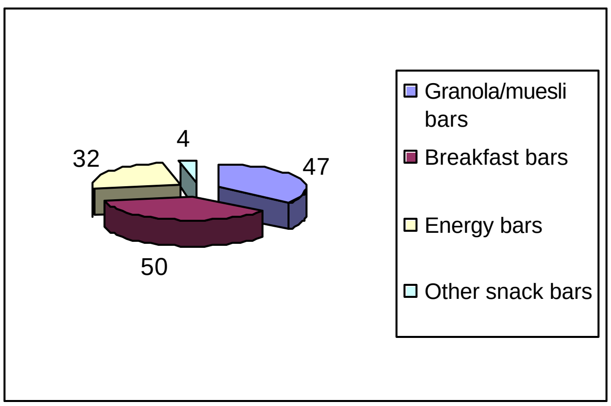
Consumer expenditures on sweet and savory snack products in 2005
(in millions of dollars)

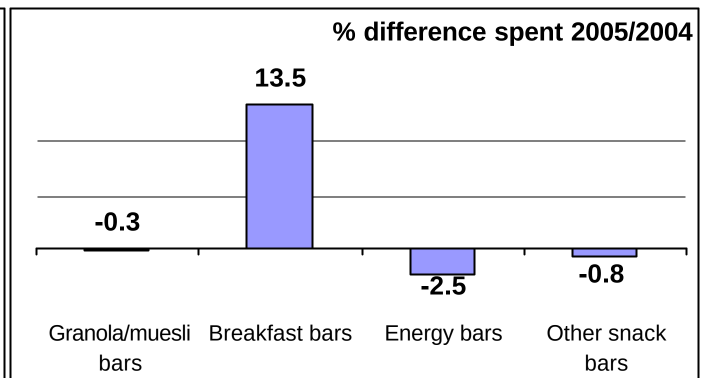




Source: Trade press (Lineaires, LSA, Points de Vente), company research, trade interviews, Euromonitor International estimates

Consumer expenditures on snack bars in 2005
(in millions of dollars)





Source: Official statistics, trade associations, trade press, company research, trade interviews, Euromonitor estimates

3. Company Profiles

Company Profiles: Sweet and Savory Snacks

Company	Percentage Market Share in 2004	Major Brands
Lorenz Bahlsen Snacks France SARL	17.63	Bahlsen, Curly, Crunchips, Monster Munch, Peppi's, Baff.
PepsiCo France SNC	14.95	Lay's, Doritos, Chee-tos, Croky.
Douwe Egberts France SA	7.83	Benenuts, Benenuts Papyrus, Mask, Woopie's
Vico S.A.	5.62	Vico, Crousti Pom
Procter & Gamble France SNC	4.89	Pringles.

LU SA	4.57	Chipsters, Belin.
Flodor SA	3.19	Flodor, Trattoria, Blondes a croquer, Petales d'Or.
Ancel SA	2.38	Bretzels
Menguy's	2.00	Menguy's
Felix the Nut Co GmbH	1.76	Jack Benoit
SDV	0.31	Casa Fiesta
Private Label	26.45	
Others	8.42	

Source: Trade press (Lineaires, LSA, Points de Vente), company research, trade interviews, Euromonitor International estimates

Company Profiles: Snack Bars

Company	**Percentage Market Share in 2004**	**Major Brands**
Kellogg Produits Alimentaires SA	21.31	Kellogg
LU SA	20.27	Grany, Choco Maniac, Taillefine, Prince.
Nutrition & Sante SAS	11.50	Isostar, Gerble
Nestle France SA	7.02	Fitness
Jordan Cereals Ltd, W	2.52	Fruitsli
Distriborg France	2.15	Bjorg
Private Labels	12.97	
Others	22.25	

Source: Official statistics, trade associations, trade press, company research, trade interviews, Euromonitor estimates

The leading manufacturers of sweet and savory snacks are Lorenz Bahlsen Snacks France SARL (18 percent market share), PepsiCo France SNC (15%) and Douwe Egberts France SA (8%). For snack bars, the leading manufacturers are Kellogg Produits Alimentaires SA (21% market share), Lu SA (20%), and Nutrition & Sante SAS (7%).

In addition to selling branded products, retailers are increasingly selling private label products. According to industry sources, private label has a 26 percent market share for sweet and savory snacks and 13 percent for snack bars.

4. Trade Statistics

Major French Imports of Sweet, Savory Snacks and Snack Bars
(in millions of dollars)

Countries	**2003**	**2004**	**2005**
Germany	939	1,088	964
Belgium	703	819	829
Italy	341	374	398
United States	28	19	14
Other countries	1,178	1,358	1,428
TOTAL IMPORTS	3,189	3,658	3,633

Source: World Trade Atlas

Major French Exports of Sweet, Savory Snacks and Snack Bars
(in millions of dollars)

Countries	2003	2004	2005
Germany	682	817	594
United Kingdom	361	461	501
Belgium	375	449	469
Spain	258	322	347
Italy	239	293	340
Other countries	796	908	932
TOTAL EXPORTS	2,711	3,250	3,183

5. Consumer Trends, Future Outlook and Opportunities

- Demand for low-fat, healthy products with a high nutritional value
- Tasty
- Ethnic (sophisticated) and innovative
- Quality ingredients
- Practical and easy-to-eat snacks
- Smaller portion packaging

According to trade sources, breakfast bar consumption is expected to continue to grow as more French consumers skip their breakfast at home.

The future for sweet and savory snacks depends on manufacturers' efforts to use natural, healthy, innovative and high quality ingredients and to improve the packaging of their products.

SECTION III. MARKET ACCESS

1. Import Duties

The EU applies import duties which differ according to the type of snack, plus variable levies applied to sugar, milk-fat and milk protein content in the product. The exact amount of duties can be obtained from your importer, your freight forwarder or directly from French Customs which determines the final classification of a product. The French customs website is: http://www.douane.gouv.fr/

In addition to the tariff rates, a value-added tax (VAT) of 5 percent is imposed on all processed and non-processed food products, including snacks.

2. Regulatory Issues

Basic Labeling & Packaging Requirements:

Labels must be written in French and include the following information:

- Product definition
- Shelf life: Indicate "used by", and "best before" dates and other storage requirements
- Precautionary information or usage instructions, if applicable

- Statement of contents: ingredients, weights, volumes, etc., in metric units. All additives, preservatives and color agents must be noted on the label with their specific group name or "E" number
- Product's country of origin and name of importer or vendor within the EU Manufacturer's lot or batch number

Allergen Labeling:

Note that in September 2003, the Council and the European Parliament adopted an important amendment to the general food-labeling directive. As of November 2005, all sub-ingredients of compound ingredients must be listed on the label so that consumers can identify any allergenic ingredients. For more information, please visit the US mission to the EU's website at: http://www.useu.be/

Biotechnology:

Detailed and updated information on geneticaly modified food, including EU legislation on traceability and labeling, can be found on above website, or Post Food Agricultural Import Regulations and Standards (FAIRS) Report at:

http://www.fas.usda.gov/

Nutritional Labeling:

Nutritional labeling rules are laid down in Council Directive 90/496/EEC. Nutritional labeling is not mandatory in the EU unless a nutritional claim is made on the label or in advertising messages. Nutritional labeling pertains to any information on the label that relates to energy value and to the following nutrients: protein, carbohydrate, fat, fiber, sodium, vitamins and minerals present in significant amounts. For more information about this subject please visit the US mission to the EU website or Post FAIRS report.

A nutritional claim means any representation or advertising that claims that a foodstuff has particular nutritional properties and is only allowed if it relates to the energy value and/or nutrients referred to above.

Health Claims:

The directive European Parliament and Council Directive 2000/13/EC + corrigendum (English version of Annex III) does not provide any guidance on which health claims are allowed and which are not. U.S. exporters and/or French importers can send the text (health claim on the label or in advertising messages) to DGCCRF for approval in France. Medical claims, attributing to a foodstuff the property of preventing, treating or curing human diseases, are explicitly prohibited in the EU general labeling directive.

3. French Government Agencies

For information on duties, taxes, and documentation:

Centre de Renseignements Douaniers
84, rue d'Hauteville
75010 Paris
Tel: (33 1) 825 30 82 63
Fax: (33 1) 53 24 68 30
Email: crd-iule-de-france@douane.finances.gouv.fr
Internet: http://www.douane-minefi.gouv.fr

Agency responsible for French label/product ingredient regulations:

Direction Générale de la Concurrence, de la Consommation
et de la Répression des Fraudes (DGCCRF)
Ministére de l'Economie, des Finances et de l'Industrie
59, boulevard Vincent Auriol
75703 Paris Cedex 13
Tel: (33 1) 44 87 17 17
Fax: (33 1) 44 97 30 31
Internet: http://www.finance.gouv.fr

Agency responsible for promotion and control of food quality:

Direction Générale de l'Alimentation (DGAL)
Ministére de l'Agriculture et de la Peche
251, rue de Vaugirard - 75015 Paris
Tel: (33 1) 49 55 49 55
Fax: (33 1) 49 55 48 50
Internet: http://www.agriculture.gouv.fr

4. Marketing

Trade Shows

The following international trade shows in France include snack and confectionary products:

SALON INTERNATIONAL DE L'ALIMENTATION
SIAL - International Food and Beverage Trade Show
October 22-26, 2006
Parc des Expositions - Paris-Nord Villepinte
Organizer: Imex Management
Tel: (704) 365 0041
Fax: (704) 365 8426
Email: exposium@imexmgt.com
Internet: www.sial.fr

SALON NATIONAL DE LA BOULANGERIE, PATISSERIE,
CHOCOLATERIE - INTERSUC -
International Chocolate, Sugar and Bakery Trade Show
February 11-14, 2007
Paris, Porte de Versailles
Organizer: Exposium
Tel: (33 1) 49 68 52 26
Fax: (33 1) 49 68 56 30
Email: jalquier@exposium.fr
Internet: www.salonboulangerie.com

WORLD FOOD MARKET
International Ethnic & Specialty Foods
May 16-17, 2007
Paris - Porte de Versailles
Organizer: Ithaca France
Tel: (33 1) 45 23 81 11
Fax: (33 1) 45 23 81 20
Email: info@ethnicfoodshow.com
Internet: www.ethnicfoodshow.com

5. Related Reports from FAS/Paris

Report Number	Report Title	Date Released
FR3058	Retail Sector Report	12/2003
FR5078	HRI Food Service Sector	11/2005
FR6003	Exporter Guide	01/2006
FR6041	FAIRS Report	07/2006
FR	Sugar and Chocolate Confectionery	

For additional information on this industry, please contact:

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American Embassy
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Tel: (33-1) 43 12 2264
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Email: agparis@usda.gov
homepage: http://www.amb-usa.fr/fas/fas.htm